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# Latin America Report

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## LATIN AMERICA REPORT

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## CONSTRUCTION OF ITAIPU HYDROELECTRIC COMPLEX COMPLETED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Jun 82 p 31

[Article by Roberto Godoy: "Itaipu Hydroelectric Plant Is Ready"]

[Text] Itaipu, the construction project, is finished. And this is one of the hardest secrets to keep in all Brazilian history. After all, it isn't easy to hide a concrete wall that is 7 kilometers long and 190 meters high. As much cement as would be needed to build 200 stadia the size of Maracana--or all the buildings in a city of 700,000 inhabitants. But the fact is that the dam responsible for containing a lake five times the size of Guarnabara Bay is finished or almost so, ahead of the schedule that in 1975 set a deadline of August 1982 for this phase.

How did it happen? "There was no surprise. In building a dam of this size, we cannot cope with the unexpected," says engineer Rubens Viana, Itaipu superintendent, who adds that "the timetable of the binational company has been followed to the letter." As a matter of fact, there is a second and redesigned calendar of events in effect that was established a little more than 2 years ago, when the undertaking was already 120 days ahead of schedule.

"It was a time for facing reality," asserts an attorney in the legal department, adding that "there was a vague current" advocating slowing down the construction of Itaipu. "Before that wing of technocrats could get a movement started against preserving the pace at which the work was being completed," he says, "steps were taken here to accelerate the pace to a point where any alteration would be inadvisable. It was real administrative guerrilla warfare."

With or without such maneuvering--there is not a single higher source that will either confirm or deny the lawyer's assertion--the immense public work accomplished by Brazil and Paraguay on the Parana River at Foz do Iguacu, costing an estimated \$18.5 billion, is now beginning to enter the declining phase of construction and the rising phase of operation.

There are complications. For the city of Foz, for example, this is a time of transition, with arrival of technicians who will install the power-generating units --but before the departure of construction personnel. As a result, there is not room for everyone and an apartment entirely devoid of any luxury, with three rooms, is being rented for 170,000 cruzeiros per month. A wooden house in an outlying section does not rent for less than 40,000 cruzeiros.

Dismissal of the employees of UNICON, the business consortium that built the dam, has also begun. Although there is no process of mass layoffs, the current rate of 500 departures monthly will accelerate in November, when the floodgates will be closed to form the lake, completing the installation cycle.

"This is a world here that never has an ending, or, better, does not have just one ending but several successive ones," says Wilson de Souza, representative of Itaipu Binational's director general, General Costa Cavalcanti, at the Foz do Iguacu construction site. That may be so, but the community nearby is beginning to worry about the future and how to make use of the 9,000 housing units grouped in three centers where the dam-building specialists, technical personnel, administrative employees and engineers are living.

#### Engineer in Charge of Work

The room of engineer Rubens Viana at the construction site is as ascetic as its occupant. The walls are covered with maps, charts and graphs; on the tables there are only ash trays, ballpoint pens, the well-sharpened draftsman's pencil and nothing, absolutely nothing, that reveals any aesthetic predilection of the powerful superintendent responsible for the success of the largest investment ever made by Brazil, as large altogether as the 1982 federal budget. But Viana is above all a "barrageiro," the worker specialized in building dams. Smiling sparingly, the Minas Gerais native describes the work in a simple way: "Itaipu is not revolutionary. On the contrary, it is all too conventional, an expedient we adopted to avoid surprises. But its size is unprecedented."

Even this penchant for the superlative, however, does not succeed in raising the temperature of his description of the hydroelectric plant, probably his last field assignment. A participant in the first undertaking of this sort in Brazil, the Paulo Afonso dam in 1949, the engineer says he has already covered "a long circuit" and acknowledged that "the time has come to go home." Rubens Viana, "Mr Itaipu" according to an American magazine, is almost legendary among the workers, identified at a distance by his blue "Summertime" station wagon (the only one of that color in the fleet) as he goes about the work site supervising various operations that could be taking place at dawn or throughout an uninterrupted 24-hour stretch.

Everyone invariably calls him "doctor," except for perhaps 10 persons, the majority of whom are laborers who in some cases have been his comrades for 30 years of construction work all over the country and who are given the privilege of calling him by his first name and knowing that he reads Guimaraes Rosa.

He does not even have to consult the official timetable in front of him to explain the state of completion, which is at the following point for each of the various segments of the hydroelectric plant:

<u>Section</u>	<u>Extent of Completion</u>
Right-side earthen dam	100 percent
Structure of spillway/channel	100 percent
Structure of right-side dam	99 percent
Main dam	97 percent

<u>Section</u>	<u>Extent of Completion</u>
Left-side dam	80 percent
Masonry breakwater dam	100 percent
Left-side earthen dam	80 percent
Diversion floodgates	100 percent
Spillway floodgates	99.3 percent
Imbedded parts	70 percent
Cofferdam floodgates	60 percent
Pre-filling of lake	100 percent
Auxiliary services	65 percent

"We have only one or two Maracanas to go," jokes the chief of the Itaipu Binational public relations staff, Rubens Nogueira, referring to the scant 4 percent of concrete pouring that separates the main and right-side dams from completion. Nogueira refutes insinuations about a future political use of this ahead-of-schedule finish, which he says is "inevitable and anticipated for a long time." The consequences, however, are almost tangible in the pace of the work. There is no longer the feverish climate that lasted from 1978, when there were 40,000 laborers working, until last May. There are visibly fewer people and most of them are preparing for finishing operations. "We are at the end of the beginning," states an engineer, pointing to floodgates of the first unit in the spillway that has 13 others and extends for 498 meters in 4 channels--8 times as wide as Avenida Paulista.

## Jobs

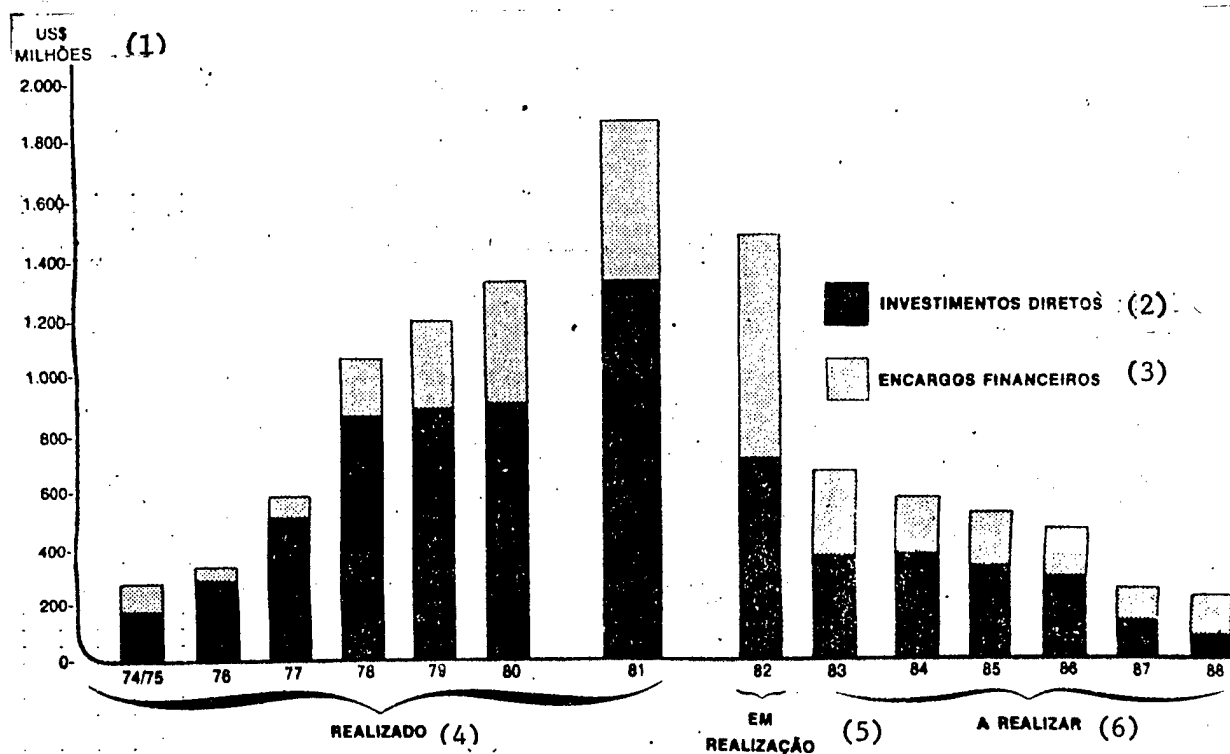
Through these spillways will fall 65,000 cubic meters per second of water from the Parana River. The Paraguayan workers (this passage is on the edge of Puerto Stroessner) who worked on the installation watch this first test in silence. Few are inclined to speak and they converse only when the foreman is not nearby. They say they do not know how to get another job as good as this one, now that Argentina, after the Falklands war, will not be able to meet its commitment for building a plant at Corpus in consortium with Paraguay, opening new jobs.

There is less of a problem on the Brazilian side, with opening of demand fronts for "barrageiro" personnel in Tucurui, Balbina and Samuel in the Amazon region, as well as the demand for workers in civil construction generally for the Carajas project.

There are many attractions in Itaipu. The houses for those who transferred with their families are much better than any others on construction sites (Group B, for the engineers, was based upon urban planning similar to that of the sophisticated district of Sausalito in San Francisco, California). The hospital--which will be taken over by the community of Foz do Iguacu--is one of the most perfect in the world for its purposes, according to the Pan American Health Organization.

All this infrastructure, including schools for 13,000 students, employee clubs and consumer cooperatives at cost "cannot be simply deactivated," the leaders of the Foz do Iguacu community stress.

# Pattern of Investments in Itaipu



## Key:

1. Millions of U.S. dollars
2. Direct investments
3. Financing costs
4. Completed
5. In process
6. To be made

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CSO: 3001/167



## NEWS AGENCY VIEWS NEW CABINET MEMBERS

PY030257 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1855 GMT 29 Jun 82

[By R. Garcia and Y. Yofre]

[Text] Buenos Aires, 29 Jun (NA)--It is clear that in the next few hours political observers will not refer to the new national cabinet as a "superfluous team," which was the expression used too frequently to refer to assistants of former Presidents Viola and Galtieri. And this is because this time men, and not policies, have been chosen.

Before appointing the candidates, the president-designate analyzed two cabinet alternatives with the help of army advisers. The first one was based on a previous agreement with the most representative political, business and labor sectors, and it was called a "cabinet of national compromise." The second alternative involved the formation of a team of neutral figures, who were reasonably respected for their conduct, who were above all free from scandal and who were--based on their cooperation with previous administrations--close to the army.

The second alternative has been, obviously, the successful one. The argument used to justify the postponement of a political agreement was the short time available and Bignone's initial weakness to face up to the presidency.

According to the new authorities, the search for an accord or compromise will be a task to be undertaken along the way, and not prior to the appointment of the government. In order to guarantee such an accord, the government of General Bignone has designated an impartial cabinet which will not engage in political competition and which will even avoid friction with the army.

This means that none of the cabinet members can be compared with what Francisco Manrique was in his time. [Federal Party chairman and former social welfare minister]. And since Bignone is not expected to have any ambitions of succeeding himself, parties will be able to operate without taking into account the ambitions of official representatives. This is what the military refers to as the "orderly, clean and pure" transition.

Even though we are aware of this reality, it will be to our advantage to look at some of the future ministers.

Jose Maria Dagnino Pastore: Even though he has some prestige as a technician--something that could be questioned based on his performance at the Espanol Bank--the main objections to this official is his character.

Dagnino is not known to be a very firm man. This aspect of his personality has been pointed out by his former colleagues in previous administrations, both at the provincial and at the national level. In addition, if the Multi-party Group was expecting a 180-degree shift in the future economic policy, its doubts about Dagnino Pastore may be justified since he was the international representative of Jose Alfredo Martinez de Hoz.

Hector Villaveiran: He is the first civilian labor minister in a military administration. Designated by Bignone following Dagnino Pastore's advice, Villaveiran told the president that his opposition to the two laws amended by the military was obvious and publicly known. Bignone said he was aware of Villaveiran's position on these laws on social works and professional associations.

This confirms that changes will be recommended for these two laws, but there is no guarantee for a salary raise which Villaveiran is logically expected to ask for (at least he has also made up his mind in this regard and his position is, obviously, close to that of the labor sectors).

But one observer wondered: Was there any reason for Pastore to recommend him?

Juan Aguirre Lanari: For the previous administration, his designation means the strengthening of the pro-Latin American line of the foreign ministry. For others, however, the appointment came out of family ties. (He is the father-in-law of businessman Carlos Bulgheroni, closely linked to many administration officials.)

This minister has no diplomatic experience except for his brief assignment in Venezuela. Even his line of thinking will be questioned: He is closer to the Washington-Caracas-Buenos Aires axis (for facing Central American problems) than he is to Argentina's sudden return to the nonaligned and Latin American countries.

Llamil Reston: His designation is a question mark in political circles, because he has always been considered to be close to the hardline sectors of the army. It was even Reston himself, during his term as labor minister, who endorsed most of the laws criticized by union members.

But Reston will adopt, as he is doing now, a consistent attitude: He will comply with the orders given him by his superiors, since above all he has always regarded himself as a soldier. Therefore--in the opinion of the military--this clear attitude may give assurances to the politicians that the army officer in charge of the Interior Ministry will sponsor neither candidacies nor official maneuvering.

These are some of the men selected by Bignone (and naturally by Nicolaidides) for implementing, as righteously as possible and without shocks, the withdrawal of the military to their proper functions.

## NATION SEEKS REVISION OF 'BROKEN' GATT RULES

PY022332 Buenos Aires HERALD in English 1 Jul 82 p 3

[Text] Geneva--Argentina called yesterday for a reexamination of GATT (General Agreement on Tariffs and Trade) rules which it said were broken by the European Community by its imposition of economic sanctions against Buenos Aires during the Malvinas crisis.

Argentine Ambassador Gabriel Martinez described the trade sanctions--suspended by other community countries, except Britain, after British troops re-occupied the Malvinas--as "economic aggressions and blackmail."

He told a GATT council meeting in Geneva that the sanctions severely affected trade, shipping, credits and exports, had caused new uncertainty in the grain market and would be a serious burden on Argentina's balance of payments.

Martinez said this was not merely a matter for a GATT disputes panel. The council should decide whether such action was justified under GATT rules.

The European Community defended the sanctions under an article which permits embargoes when a country considers them vital for security "in the time of war or other emergency in international relations."

Several Latin American and other developing countries supported the Argentine argument but it was rejected by industrialized nations, including the European Community, the United States, Canada and Japan.

Speaking on behalf of the community, Tran Van-Thinh said that although the European Community had suspended the sanctions from 22 June, this was on the assumption there would be no further act of force in the South Atlantic.

"Should that not be the case, a new situation would arise to which the 10 would have to react immediately," he told the council.

U.S. Delegate Michael Smith said each country had to determine its own security interests. GATT should not be drawn into security-political issues, nor was this an issue between North and South, as the Argentine delegate suggested.

Canada's Donald McPhail rebuffed Argentina's argument that the sanctions were unprecedented. There were precedents, he said, as in the case of South Africa and the Middle East.

## PERONISTS ISSUE DOCUMENT ON DEATH ANNIVERSARY

PY031609 Buenos Aires TELAM in Spanish 0500 GMT 2 Jul 82

[Text] Buenos Aires, 2 Jul (TELAM)--The National Council of the Justicialist Party today issued a communique on the occasion of the 8th anniversary of the death of their late leader, Juan Domingo Peron. Among other things, the communique calls on the armed forces to implement the means to restore the unrestricted enforcement of the national constitution and of the law immediately, without exclusions and fairly because, the communique says, "They have no other alternative than to have confidence in the Argentine people."

The document, released to pay homage to Peron, recalls Peron's words delivered on 1 May 1974 to the effect that the armed forces are working with the concept of a total war and, therefore, of a total defense. The real national task, Peron said, is liberation, and our armed forces have fully assumed this task. This is the way to defend oneself from neocolonialism and the armed forces are committed to the overall integrated social development of the country, which is carried out with a national, social and Christian emphasis.

Upon mentioning the event on the recovery of our Malvinas Islands. The Justicialist Party notes that we never relinquished territorial sovereignty over the southern archipelagos. It adds that, moreover, we will neither acknowledge nor accept any commitment whatsoever which is not approved by the representatives of the people in congress.

On addressing the armed forces, the communique calls on them to unite and to implement the means to restore the unrestricted enforcement of the national constitution and of the law immediately, without exclusions and fairly because they have no other alternative, it notes, than to have confidence in the Argentine people.

The Justicialists then call on our fellow countrymen to make every possible effort to demand that political sovereignty be returned to the people and to promote the drawing up of a national emergency plan for the short transition period.

The communique calls on the political party leaders to remain mobilized and vigilant in order to begin a clean internal reorganization that will insure

that the Justicialist Party is the adequate tool to definitively achieve national transformation.

The communique adds: We commit ourselves to our Latin American brothers, in whose open and generous arms our anguish is taking refuge today, to employ the indomitable vigor of our people in the collective effort to set up forever the bases for an economically free, political sovereign and socially united Latin America that will go meet the year 2000 united and victorious.

The Justicialist document concludes by asserting that they will march toward a stage of continentalism by seeking to accomplish a democracy full of social justice. The document is signed among others by Deolindo Bittel, Lazaro Roca, Rosaura Islas and Ruben Sarboli.

CSO: 3010/1834

## BISHOPS ISSUE DOCUMENT, APPEAL TO UNITY

PY061736 Buenos Aires CLARIN in Spanish 3 Jul 82 p 8

[Excerpts] In a message focused on the serious moments the country has been experiencing, the Argentine bishops yesterday urged "everyone without exception, both the government and the people, to honor the truth." [passage omitted]

In a document released yesterday, the executive committee of the Argentine Episcopal Conference states that "although it is true that time will have to elapse before anyone can pass sound judgment on the complex entangling of a specific historical time, it seems possible now to regard the present time as serious and carrying problems whose consequences cannot always be predicted."

The document adds: "Therefore, we want to urge all those responsible for the leadership of and for building the country, at all levels, to get together for the sake of the common good. They should do this without selfishness but with openmindedness and fraternally, so that we can overcome one of the major stumbling blocks that could stand in the way of any country: a possible fragmentation of both power and goals, which could bring ruin and failure to the community."

In their document, the bishops cited their earlier document "The Church and the National Community," in which they noted that "Everyone must obey the law, whether he has military, economic, political or social power."

The document states that "the forthcoming institutionalization will require all political parties to refrain from taking actions which would jeopardize unity and the eager quest for the common good, even if they have to relinquish some principles which as representatives of different sectors they may have."

The bishops state that "It is high time for achieving unity because the essential values of the fatherland may be in danger."

"This is a time at which all citizens feel the need to hear words of great sincerity and truth."

They state that "What has happened in our fatherland, especially the deaths and sacrifices, will have been worthwhile if despite adverse circumstances, we are humbly capable of assuming our responsibilities to begin without delay the urgent reconciliation among all Argentines." [passage omitted]

CSO: 3010/1834

## INTRANSIGENT PARTY COMMUNIQUE ON STATUS QUO

PY051834 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1500 GMT 4 Jul 82

[Text] Buenos Aires, 4 Jul (NA)--The Intransigent Party [PI] has warned that "the nation is facing the risk of disintegration" and categorically rejected any relations with the "new military term in office."

The communique emphasized that "it is not up to us to assume blame or responsibility which are not ours, nor is it our job to issue acquittals."

It added: "From this new stage of the regime we only ask it to fulfill the objectives it claims to have, return to the people their rights and leave power as soon as possible."

The national committee and the national commission for political action of the PI issued this highly critical document establishing their party's position only 48 hours after the political ban, in force since March 1976, was lifted.

This political party, led by former Buenos Aires Governor Oscar Alende, stated that "The so-called process of national reorganization is inexorably responsible for Argentina's current decline."

It added: "Now the process agonizes, torn apart by the weight of its own errors and its unforgivable neglect of the nation's interests and the will of the people."

The communique harshly assessed the status of individual guarantees, of the economic field, of social policy, of education and the nation's foreign actions."

It said: "The prisons are still full of women and men who do not know what they are being accused of, who have not been brought before their proper judges and who have been deprived of their right to defend themselves."

It adds: "The economy has also been destroyed to an unprecedented degree."

It charged the current military regime of having precluded the nation "from playing its historic role in Latin America."



Further on the communique claimed that "The armed forces of the nation have been the instrument of hegemonic pretensions of the oligarchy and of imperialist penetration (into the country)."

It pointed out that "This role was played by the successive military leaderships" and added that "The action of these leaderships, committed to ideas alien to the nation's interest, has become a factor that truly helped cause disunity."

The communique also assessed the South Atlantic crisis and stated that it now appears that the nation "was faced with an unadmissibly unilateral proposal for reaffirming sovereignty."

It explained that "This means that the people who unleashed an act of force aimed at revindicating Argentina's territorial sovereignty over the usurped southern archipelago, were the very same ones that had attacked the nation's overall sovereignty by devastating its economy, attempting to surrender its subsoil, disregarding and repressing the people, restricting their culture and depriving the citizenry from the exercise of its sovereign will to decide the fate of the nation."

Furthermore the communique said that "After only 3 months truth is beginning to come out. It is becoming obvious that the regime viewed the Malvinas issue as part of a strategy agreed upon with the United States and subordinated to the regime's interests."

It indicated that "It is also obvious that the grab staged was merely an attempt at removing an unexpected obstacle amid a domestic situation within which a government on the point of collapse could afford no delays." [sentence as received]

The Pi also feels that "It is also obvious that they had not expected war but a restricted conflict which would be resolved through the arbitration of the imperialists, reconciling interests which are, in the final analysis, similar."

Later on the communique said that "the war was lost and defeat arrived amid conditions which oppress the people because this defeat showed an inexcusable lack of ability, foresight, sincerity and decision. The necessary investigation, for the sake of the memory of those who fought and died with honor, is still pending."

At the end of the communique calls for "drawing up a national popular and revolutionary option," and stresses the role of the multiparty group in the attainment of this objective.

The communique concludes by saying that "Power, economy and culture will have to be totally democratized" because this democratization should be "the path toward the necessary and revolutionary structural change capable of providing a new social environment for a new man."

CSO: CSO: 3010/1834

GOVERNMENT REPORTS ON TALKS WITH PEASANTS

PY061726 La Paz Radio Illimani Network in Spanish 1100 GMT 6 Jul 82

[Text of communique released by the Bolivian Interior Ministry on 5 July 1982 in the afternoon]

[Text] The exchange of information and ideas which took place at the second meeting of the National Political and Social Council [CONAPOL] as part of the dialogue opened by the armed forces government with the genuine representatives of the peasant class was characterized by the frankness and objectivity with which such topics as the economic and financial situation, the institutionalization and the political problems of the country were discussed.

The difficulties facing agricultural activities and the peasant class of the nation were studied, as well as the way in which the government is trying to meet those difficulties by granting the agrarian sector the highest priority of treatment and support in the current situation and the immediate future, taking into account the most crucial aspects, such as cost increase for the products, the shortage and high price of imported and national inputs, the structural ineffectiveness of marketing, transport and agrarian credits.

In the political-social field it was asserted that the true and only representatives of the Bolivian peasant class is the National Confederation of Bolivian Peasants [Confederacion Nacional de Campesinos de Bolivia], which was born at a national congress and that, therefore, no representation other than it is allowed or recognized.

Regarding the great national agreement it was conceived indispensable in order to produce a stable and permanent democratic government in the country which will be able to plan and undertake the best medium-term economic, political and social solutions on behalf of the majority sectors of the nation.

In this connection, the peasant class rejects violent solutions and gives its steadfast support in order to participate in the great national agreement with all the power inherent in its qualitative and quantitative capacity and its first-place role in the activities of the nation. However, it is by no means in agreement with the recall of the congress of 1980, which has been proposed by private business and a group of political parties, since

it believes that this would be an antihistorical event which is not a legitimate solution to a serious institutionalization of the country.

The social-political truce sponsored by the government has not been understood; on the contrary, it has been wrongly interpreted and mistakenly used to obtain political party benefits.

CSO: 3010/8134

## CONAPOL, COB HOLD INFORMAL MEETING

PY012337 La Paz Radio Illimani Network in Spanish 1700 GMT 1 Jul 82

[Text] The National Council for Social and Political Affairs [CONAPOL] and the Bolivian Labor Federation [COB] did not start today the so-called political dialogue called for by the supreme government within the framework of the 3-year program established at the end of 1981.

The labor union leaders and members of the council met for 30 minutes. During the meeting the COB members made their proposals to continue with the scheduled negotiations in the future.

Later on the interior ministry issued an official communique which reads:

Through a note dated 23 June 1982 the COB accepted the invitation to hold political talks from the interior, migration and justice ministry sent in a note dated 3 June 1982 and officially accredited its representatives Juan Lechin Oquendo, Oscar Sanjines and (Gonzalo Guzman Ewis) to attend the beginning of the dialogue today, Thursday, 1 July at 0900 at the conference hall of this ministry.

The first round of negotiations was not carried out this morning despite the clear, honest and patriotic manner in which the government desires to conduct this dialogue with the economic, political and social forces of the country aimed at achieving a great national accord which will facilitate the solution of the serious problems which affect the country.

Despite the fact that the COB had stated, through its Executive Secretary Juan Lechin Oquendo, that it did not demand any conditions, before starting the dialogue they made the following demands: to substitute one of its representatives accredited through its note dated 23 June 1982 with another member of the single confederation of peasant workers--this organization is not recognized by the national's peasantry--and the presence of the media at the dialogue.

In view of this situation, Mr Juan Lechin was informed that these demands or any other conditions are acceptable for carrying out the dialogue.

It is clearly established that in order to avoid any misunderstanding [words indistinct] specific delegations, the media will be duly informed on the

development of the dialogue. Nevertheless, representatives of the media will be opportunely summoned for this purpose.

At the same time it is stated that the summon to hold a dialogue is not cancelled due to the aforementioned events and the cordial invitation is still open for the (?persons) officially accredited.

On his part, the executive secretary of the COB told the media that we have agreed with the government that the dialogue has not been cancelled. Juan Lechin Oquendo stated that "I would say that we have just met with a procedural obstacle."

He then stated that CONAPOL will analyze the requests made during the informal meeting.

CSO: 3010/8134

## BRIEFS

PEASANT GROUP STATEMENT--Members of the so-called Bolivian Peasant Confederation, presided over by (Leoncio Torrico), have notified the government that they are against the idea of calling the 1980 congress back into session. This is included in a statement submitted to the government during a meeting held between 15 members of the organization and members of the National Political and Social Council. The statement refers to the congress elected in 1980. It adds that there was electoral fraud at the time and says that this situation was remedied on 17 July 1980. According to leader (Julio Belloz), the calling the 1980 congress back into session would mean that the government is going against its own objectives. He added: We are going to struggle for a genuine representation in congress. We want democracy, we want elections and we want to participate in the process. Moreover, he added, we are willing to avoid the return of ambitious persons. The meeting, which started at 0900, was held at the interior ministry. [Text] [PY052241 La Paz Radio Illimani Network in Spanish 1700 GMT 5 Jul 82]

CSO: 3010/8134

## PCB LEADER SCORES ARRESTS OF PMDB MEMBERS IN RIO

Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Jun 82 p 6

[Text] Rio de Janeiro--Former deputy Hercules Correa, member of the PCB [Brazilian Communist Party] collective leadership, denounced arrest by federal police early yesterday morning of 11 PMDB [Brazilian Democratic Mobilization Party] members as they were putting up their party's election campaign posters in the vicinity of the port docks and their being held until they could post bail of over 100,000 cruzeiros.

One week ago the PT [Workers Party] candidate for governor of Rio de Janeiro State, Lisaneas Maciel, made a similar charge, protesting against arrest by civil police of a group of PT members who were not released until they posted bond of 80,000 cruzeiros, or 10,000 cruzeiros for each of them.

"I ask President Figueiredo," Hercules Correa added: "What kind of democracy is this that he preaches and that prevents democratic exercise of election campaigning, for which advertising the candidates of all legal parties is essential. If the PDS [Social Democratic Party] and the PTB [Brazilian Labor Party] can plaster signs all over town, why can't the PMDB?"

## 'Artifices'

Until the precedent established with the PT, arrests made during election campaigns had not required payment of bail, according to electoral legislation. This practice is being adopted this year, draining the parties of funds, as pointed out by the regional PT president, Deputy Jose Eudes:

"This allegedly democratic regime uses all artifices, protected by casuistic and arbitrary legislation, to try and restrict the democratic practice of an election campaign in which it knows it will be defeated when the votes are counted. Until then, everything will be done against the opposition tickets, including economic pressure against the parties that do not have official funds."

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CSO: 3001/167

## SOYBEAN PRODUCTION PROJECTED AT 18 MILLION TONS IN 1983

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Jun 82 p 31

[Text] Brazil could produce 18 million tons of soybeans next year, compared with a little more than 13 million this crop year, by increasing yields and incorporating new areas, without neglecting traditional subsistence crops. This was the main objective of a meeting held in Sao Paulo yesterday by farmers, industrialists and rations manufacturers.

And the major conclusion at which everyone arrived is that the sector needs, first and foremost, specification of a price much higher than the Basic Operating Cost, from which the product is already disassociated.

Joseph K. Sieh, president of the Brazilian Association of Vegetable-Oil Industries [ABIOVE], said it is important to know the location of the bottlenecks that caused a 2 percent reduction in planted area in the 1981 crop year. At first glance, he said, such a percentage might be considered slight, but if the trend continues it could become serious. The decline of 2 million tons in this year's crop, according to Sieh, was not due solely to climatic problems (drought), but mainly to the discouragement of the farmer, who did not use proper practices of liming soil due to lack of funds. Last year investment per hectare was 27,000 cruzeiros, when at least 36,000 cruzeiros would have been needed for higher yields.

#### Yield

This year, the ABIOVE president estimates, for the Center-South to have a yield of 1,800 kilograms per hectare, 62,500 cruzeiros will be needed, which rises to 75,400 cruzeiros in the Center-West, the new large grain producer, due to cost of freight and a need for more lime to correct soil acidity.

Jose Mendonca Moraes, representative of the Minas Gerais Farm Federation, complained about the lack of definite policy for the sector and stressed that the soybean producer needs credit even if it is not subsidized.

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## RISE OF OCTAVIO MEDEIROS TO FOUR-STAR RANK DESCRIBED

Sao Paulo ISTOE in Portuguese 9 Jun 82 p 36

[Text] President Figueiredo made another move in the chess game that presidential succession has become, in announcing creation of one more post reserved for four-star generals, raising the Army Directorate of Economics and Finances to the secretariat level, with powers to plan and direct the force's finances. When the proposal is approved by Congress, the number of generals of the army will increase from 11 to 12. The next move will be raising the Planalto Military Command, probably at the end of next year, to a level also reserved for a four-star general. That will open the way for Major Gen Octavio Medeiros to receive his fourth star in the March 1984 promotions.

Medeiros now ranks 15th in the Army Almanac. To assure promotion of someone who is that far down the list requires some long-range planning based upon the rigid hierarchy established by the Almanac. And that is what is being done. In creating the 12th position Planalto Palace is taking into consideration that in July two more generals are to be promoted, probably Leonidas Pires Goncalves and Mario Silva O'Reilly. Medeiros will thus move up to 13th in line.

No promotions are expected in November, which will result in three major generals joining the reserves to fulfill the compulsory quota of officers retired annually. Medeiros will then go to ninth place. Six more positions will be open in 1983, with retirement of five current four-star generals and departure of Gen Dilermando Monteiro from the Superior Military Court [STM], being replaced by an active general.

The March 1984 promotions will thus find Medeiros third in line, after Generals Rubens Mario Brum Negreiros and Moacir Pereira. At that time the Planalto Military Command will become headed by a four-star general, while Reinaldo Mello de Almeida will retire, turning over his STM seat to another active general. If no opportunity to create a third vacancy--which would be for Medeiros--arises, either General Negreiros or General Pereira will be politely passed over. Or some general of the army will be given an additional important position, as happened with Gen Arnaldo Calderari, who became administrator of IMBEL [Ordnance Industry] so that Figueiredo could receive his fourth star and become president.

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## DPF RESPONSIBILITIES TO INCREASE WITH REORGANIZATION

Sao Paulo ISTOE in Portuguese 9 Jun 82 pp 40, 41

[Text] After liberalization, amnesty, direct election of governors, the next-to-the-last revolutionary taboo--the last would be direct election of the president--is about to fall: the complex and omnipresent network of security and intelligence agencies. Closing the Rio Grande do Sul DOPS [Department of Political and Social Order] 2 weeks ago was the first sign of a broad reorganization that will affect not only all state agencies (ISTOE, No 284) but also the army's Departments of Domestic Operations (DOI), the secret services of the military police, the intelligence agencies of the military ministries and, especially, the federal police.

The next DOPS offices to be closed will be those of Santa Catarina and Parana and the last is likely to be Sao Paulo, precisely because it is the biggest and most powerful of these. Activities of the political police, treasury police, weapons and explosives control and drug combat will all be gradually centralized by the federal police. The DPF [Federal Police Department], meanwhile, will have to rid itself of some sections no longer considered appropriate by its directors, such as the Censorship Service and the Aliens Division.

Brazil is the only country in the world where censorship is exercised by the police, and an arrangement is now being worked out for the service to be subordinated directly to the general secretariat of the Justice Ministry. The Division of Air, Sea and Border Police will be controlled by the Federal Department of Justice. At present about 30 percent of all federal police personnel are employed in paperwork such as expediting passports.

A key figure in the reorganization to be made in the DPF is Police Chief Nelson Marabuto, who left the top position at the federal police DOPS and was promoted last week to be head of planning, a post until now filled by a colonel. In the department's formal chain of command, Marabuto--who last year quit as head of the DPF in Sao Paulo because he had problems with Governor Maluf--will be the third man, outranked only by the director general and the central coordinator. As a matter of fact, however, Marabuto will be responsible only to Gen Moacir Coelho, as he will be a kind of chief of staff for the federal police, directly supervising all changes to be announced.

But centralizing activities of the political police in the DPF will, of course, have to involve the military agencies, such as the DOI and the secret services.

In the navy and air force these services are already devoted to activities of specific interest to their forces, mainly in the intelligence area. The operational systems and the political-repression networks have been gradually deactivated since the current ministers, Maximiano da Fonseca and Delio Jardim de Mattos, have been in office. In the army the Riocentro episode served as a kind of landmark for operational withdrawal--although in this case there had not been a policy decision to deactivate. Strengthening and expansion of the DPF and the nation's current political situation, however, should lead the army intelligence agencies to the same path already taken by the navy and air force.

The PM [Military Police] secret services have had a hard enough time keeping up with the lawless excesses of their own troops and it should not be difficult to restrain what little remains of political activities. The SNI [National Intelligence Service], today the centerpiece of the nation's entire intelligence network, will be gradually transformed into an agency of direct assistance to the president of the republic. The possibility of its beginning to operate in the field of foreign intelligence, which in the long run would give it a role similar to that of the CIA in the United States--while the DPF would be somewhat equivalent to the FBI--is not remote.

In taking over their additional responsibilities the federal police can count on the support of President Figueiredo himself, who in his message to Congress at its opening session this year mentioned "pursuit of the effort to install more operational units in the nation." This year alone new centers have been established in Para and Rio Grande do Sul, with branches in Araguaina, Goias, and Imperatriz, Maranhao, both in the nation's most critical region of agrarian conflict, the "parrot's beak" where the Araguaia River meets the Tocantins River. In Minas Gerais construction has already begun for the regional superintendency's own building, while in Rio de Janeiro a building for the section of political and social order is now ready. The ultimate purpose of all this reorganization--which will be done through a series of constitutional amendments--is to eliminate the "revolutionary service" and, hence, transitory nature of the whole security and intelligence apparatus set up during the last 18 years. Its essence, however, will be preserved.

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CSO: 3001/167

## ITALY ANNOUNCES \$40-MILLION AID PACKAGE

San Jose LA NACION in Spanish 11 May 82 p 6-A

[Text] The Italian Government yesterday announced, through Deputy Foreign Minister Dr Roberto Palleschi, its intention to provide \$40 million in aid to Costa Rica to help it confront the economic situation it is experiencing.

An agreement between the two nations was signed at the Foreign Ministry yesterday for this purpose. The Italians pledge themselves to make donations and to grant soft and other credits for exports.

In justifying the purposes of his government, Dr Palleschi, who led the Italian delegation to the transfer of power ceremonies, emphasized the Costa Rican democratic system.

He said our country must play an important role in the isthmus because of its democratic nature and what it represents as an element of political stability. "In addition," he said, "it should serve as a point of reference for the other nations of the region."

In this regard, he said Italy also wants to help Nicaragua to prevent it from being pushed toward other countries "to carry out the projects it wants." "We believe," he added, "that Nicaragua must have independence and be a faithful follower of the principles of Sandinism which include political pluralism, a mixed economy and nonalignment."

The diplomat said the speed with which Italian aid gets to Costa Rica will depend on the work to be done by a joint commission of the two nations that has been organized with decisionmaking power.

He stressed that the aid will be made from government to government but this will not be an obstacle to investing the funds channeled through the government in private enterprise, cooperatives or other forms of organization.

#### The Agreement

Regarding the agreement signed at the Foreign Ministry, Foreign Minister Fernando Volio explained that it serves as the basis for Italian cooperation

in the agricultural, fishing and agroindustrial sectors, with emphasis on food production.

Thus, the Rome Government has confirmed food aid of approximately \$2 million and the granting of \$40 million in donations, soft credits and loans for exports.

To this end, Italy also committed itself to intercede in favor of Costa Rica at the appropriate international forums and to begin bilateral dialogue to reactivate such credits as soon as possible.

Costa Rica will use the money to create enterprises that produce goods and services for the Italian and national markets and for third countries.

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## OFFICIAL DISCUSSES MONGE'S 100-DAY EMERGENCY PLAN

San Jose LA NACION in Spanish 22 Apr 82 p 6-A

[Article by Lidiette Brenes de Charpentier]

[Text] Luis Alberto Monge's government plan, also known as the emergency plan, for the first 3 months of his term is designed not to affect production and to seek a mechanism to stimulate the private sector.

This was the opinion yesterday of Fernando Berrocal, who will be minister of the presidency in the new administration and is a member of the committee charged with giving the final touches to the plan.

The other members of the committee are Eng Claudio Antonio Volio, the next minister of national planning and economic policy; Eng Rodolfo Silva, a presidential advisor; and Bernal Jimenez, elected leader of the National Liberation Party [PLN] group in the new legislature.

The emergency plan, which contains 20 to 25 fundamental economic measures, was presented last Tuesday to the Monge administration's Council of Government.

However, it has been learned that examination of the plan was not completed at that meeting and that the council is expected to approve it on Friday.

Nevertheless, final provisions to appropriately legalize the economic measures are still to be made. LA NACION has learned that the question of laws which the Legislative Assembly should enact and matters that will be regulated by executive decree will be decided before 8 May.

The emergency plan will be released to the public on 30 April.

## Stages

Following the election victory of Luis Alberto Monge, there have been various rumors about the content and form of the 100-day plan.

The plan has been kept in the greatest secrecy with the exception of a preliminary version of the economic measures whose text LA NACION published a few weeks ago.

In the days prior to that, the uncertainty generated by the actions to be taken with the exchange rate contributed to a rise in the rate, according to several financial experts.

The manner in which the work was done also has been a topic of speculation. It has been asserted that thus far the only thing that exists is the preliminary version with a few changes.

The emergency plan's ideological base is found in the conclusions of the PLN congress--given the name of "Francisco J. Orlich"--held in May 1981.

The results of that conclave also became the basis for the "Let Us Return to the Land" program, described by Luis Alberto Monge as the document that will regulate his performance as president.

#### On the Land

According to what has been learned, once the "Let Us Return to the Land" program was released late last year, it was realized that its guidelines were more conceptual than practical.

Thus, the idea came to seek more concrete proposals to tackle the country's situation, which was increasingly deteriorating in the economic and social fields.

Two working groups then were formed to propose emergency measures to be imposed in those two areas. The coordinator for the first group was Eng Alberto Fain and for the second group it was Armando Arauz, both vice presidents-elect of the republic.

At the same time, other groups examined the status of the Costa Rican Social Security Institute, Costa Rican Oil Refinery (RECOPE), Costa Rican Development Corporation (CODESA), and others. A total of 14 committees worked.

All the persons involved met in La Catalina, Santa Barbara de Heredia, to try to come up with a single document, under the coordination of a liaison committee.

The result of this was the pamphlet delivered Tuesday to the future Council of Government. Each minister-designate made pertinent comments about the pamphlet and took it home to examine it further.

Its final touches will be given at the Friday meeting, according to statements of some of the future officials.

#### Format

It has been learned that the emergency plan consists of four parts. The first part is an analysis of the crisis in the social and economic sectors. It also updates the content of the original emergency plan.

The first part also contains indicators on inflation, unemployment, foreign debt and other matters.

The second part includes 20 to 25 basic measures that will affect the exchange rate, monetary, credit and fiscal fields, foreign debt renegotiation, salary and prices, and reactivation of the productive sector.

In addition, social provisions are made to counteract the unemployment, housing deficit, higher tariffs, and so forth.

The third part covers 70 or 75 support measures. Lastly, an annex thoroughly explains the analyses made of the autonomous institutions.

It was announced that ministers who are lawyers will meet to draft the laws or decrees needed to complete the legal actions that may be required.

Fernando Barrocal explained that the emergency plan is not intended to contract the activity of the private sector and that, to the contrary, the plan will encourage production. He further stated that permanent dialogue will be maintained with businessmen and trade unions "because we can make the country advance only by working together."

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## LARGEST COFFEE CROP IN HISTORY EXPECTED THIS YEAR

San Jose LA NACION in Spanish 25 Apr 82 p 4-A

[Article by Mariana Lev]

[Text] The 1982-83 coffee crop is estimated at 2.8 million fanegas, (1.12 billion liters [1 fanega equals 640 pounds], and if weather conditions are favorable, it will be the largest coffee crop in history, Mario Fernandez Urpi, executive director of the Coffee Office, has asserted.

He added that 920,000 quintals left from the 1981-82 crop have been exported to date, which represents 57 percent of the total quota of 1,713,000 quintals assigned for this year by International Coffee Organization (OIC).

Regarding the prospects for quotas and prices for this coffee year, he said it will be difficult for the OIC to increase the current quota, but that prices could rise if there is frost in Brazil.

Coffee prices, he explained, rise this month and approximately until June at the London and New York exchanges because consumer nations seek to supply themselves with coffee in expectation of decreased production in Brazil, the world's largest producer, which could benefit this country.

"Record" Crop

The harvest starts in June of this year in the areas where coffee ripens early, such as in San Carlos and San Isidro de El General, and ends in March 1983 with a total production of some 2.8 million fanegas (1.12 billion liters), Fernandez reported.

It will thereby surpass the historic 1980-81 crop of 2,624,000 fanegas (1,049,600,000 liters), the official said.

Selling the coffee at a good price will depend on traditional factors, such as frost in Brazil and greater demand by customer countries.

The 1981-82 crop was lower than the previous one and than the one expected this year. There is a cyclical situation leading to lower coffee production every 2 years, Fernandez said, and this happened with 400,000 fanegas less (15 million liters) than the historic crop 2 years ago.

According to regulations established by the OIC, the coffee year begins on 1 October and ends on 30 September of the following year, he explained.

Within such terms, 1,298,000 quintals of coffee were sold in April 1981 for total earnings of \$148 million, and this month we have sold only 920,000 quintals which could not be exported earlier because there still was a surplus from the 1980-81 crop.

This sale affects the coffee year that begins in October of this year because it applies to the assigned quota, he said, and it generated earnings of \$103 million or \$45 million less than the previous sale.

#### Surpluses

He said that another of the causes leading to lower production in the period just ending was the surplus of the previous crop, which forced us to export part of the 1980-81 coffee in the new coffee year.

This chain of events generated by having excess coffee from each harvest, he added, is the result of excessive availability in the international market, preventing our country from selling all its production to the OIC, which is the best buyer.

To date, 153,000 quintals left over from the 1981-82 crop have been sold to countries such as Romania, Czechoslovakia and East Germany, which are not members of the OIC and pay less for the coffee.

He asserted, however, that production for this 1982-83 period is expected to meet the Coffee Office estimates.

#### Prospects

Fernandez said coffee can continue to lead the list of export products as the principal earner of foreign exchange for the national economy.

According to the Coffee Office official, the current schedule of quotas established by the OIC last year and the expectations of coffee offer and demand for this period favor the Costa Rican coffee position in the international market.

The OIC agreement that has been in effect since 1976 and expires on 30 September 1983 is currently under renegotiation, he said.

The international organization should decide at a plenary meeting prior to 1 July of this year if the current agreement is to be extended or a new one drafted.

Regarding domestic consumption, Fernandez estimated that the country will consume about 300,000 quintals. This was determined by the Coffee Office taking into account last year's total consumption, he concluded.

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## TEMPISQUE IRRIGATION PROJECT PROGRESSES

San Jose LA NACION in Spanish 25 Apr 82 p 4-A

[Article by Ricardo Lizano]

[Text] Canas--There has been considerable progress in the irrigation project at the lower basin of the Tempisque River, although there has been some delay according to initial plans.

This was confirmed during a tour which journalists and officials of various institutions made yesterday in Canas, Guanacaste Province, where the project was developed.

The plan is to irrigate almost 120,000 hectares of the surrounding area with which the region's farm production could at least be doubled, according to the judgment of experts.

Conceived to be developed over the next 15 years, the project is being executed in an interinstitutional action with the participation, among others, of the National Electricity Service (SNE), Agrarian Development Institute (IDA), Ministry of Agriculture and Livestock (MAG) and Office of National Planning and Economic Policy (OFIPLAN).

The dam on the Magdalena River is the project's nerve center. Unlike dams used for hydroelectric purposes, this one is a bypass dam using two canals to carry water to the irrigated lands. The area to be irrigated will include parts of the Liberia and Carrillo districts, and eventually Santa Cruz.

Opening of the first 9 km is being completed now in what is known as the southern canal, which runs from the Magdalena River for a total length of 30 km.

The other route is known as the western canal. It will have a length of 100 km running from Canas to Guardia de Liberia. However, construction of this section has not started.

#### Cost

The total cost of the project is approximately \$15 million, which was loaned by the Inter-American Development Bank (IDB).

The Magdalena bypass dam alone is estimated to have cost 30 million colones. Certain problems on the proceeding of bids and possession of land in the area have delayed the progress of the project, according to engineer and SNE official Juan Carlos Gonzalez.

The plans for the project include the transfer of a large number of people who will be taken into account by IDA during the land distribution.

Some 48 holders of land plots presently are getting the benefits from the 9 km of canalization already completed. Ways also are under study to provide irrigation even to old owners of the area, Marcos Roldan of the IDA explained.

#### Station

The Enrique Jimenez Nunez experimental station which the MAG has in Taboga, Canas region, has been integrated in the project.

Eng German Quesada, director of the station, explained that research work at the station is based on the needs of area farmers. The station also trains secondary school academic personnel and provides direct assistance to peasants.

Denis Sanchez, director of OFIPLAN's Sectorial Planning and Coordination Division, for his part emphasized the coordination work done by this agency. He asserted that to this end, OFIPLAN tries to see that irrigation plans are conceived within a comprehensive policy.

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## FIGUERES ASKS GUERRILLAS TO LAY DOWN ARMS

San Salvador LA PRENSA GRAFICA in Spanish 20 Apr 82 pp 2, 22

[Text] In a statement published by the Costa Rican press, former President Jose Figueres Ferrer publicly has asked Salvadoran guerrillas to lay down their arms.

At the same time, as chairman of the PLN [National Liberation Party], he supports President Reagan's policy toward El Salvador, calling it a "new inter-American policy."

The USICA report says:

"San Jose, 19 April. In an article written for Costa Rica's LA PRENSA LIBRE and published on 15 April, Jose Figueres, three-times president of his country and present chairman of the PLN, calls on the Salvadoran guerrillas to lay down their arms and asks the Christian Democratic Party (PDC) and the right-wing parties to lay aside ideological and sectarian differences.

Figueres compliments President Reagan's policy toward El Salvador, saying "...it is paradoxical--in a favorable way--to see a conservative government in the United States supporting elections and agrarian reform in El Salvador." Concerning the elections, Figueres says, "it is satisfying to see that now, under the influence of the United States, El Salvador has held the freest elections in its history. Who are they trying to deceive?"

This is the complete text of former President Figueres's article:

"Nowadays some people criticize U.S. policy toward El Salvador and Central America in general. Such critics must be new to the phenomena of the American hemisphere. Those of us who have fought against dictatorships for a long time can remember that our complaints were most often directed toward what looked like U.S. lack of interest in the cause of democracy in Latin America. We asked the United States for an openly pro-liberty foreign policy. We asked for this a thousand times. We argued that in our times the world communist movement has Moscow as its Vatican and right-wing despotic regimes make common cause with each other, while in our hemisphere democracy does not have a leader-country.

"It strikes us old fighters as paradoxical--in a favorable way--to see a conservative government in the United States supporting elections and agrarian reform in El Salvador; to see that they disapprove equally of feudalism and terrorism. We are glad that President Duarte's government is done justice when it takes on the difficult task of social change, even though it receives the support of the armed forces. Especially since traces of the old 'gorilla' practices apparently still exist in the armed force, with due respect for their heroism in the present battle....

"It is a pleasant duty to admit that now, under the influence of the United States, the freest elections in Salvadoran history have just been held. Who are they trying to deceive?

"In addition, the United States disapproves of the attempt of the five right-wing groups to case aside the PDC, which obtained 40 percent of the votes. Let us welcome 'intervention' if it is disinterested and respectful; if it is inspired on a philosophy that most Central Americans share: perhaps not all, but the majority....

"Taking into account that they have obviously lost the elections and are partly, if unintentionally, responsible for Nicaraguan-American tensions, the Salvadoran guerrillas--and I say this respectfully--should make a truly grand gesture and lay down their arms. They must not feel their effort was for naught. They, who die for a just cause, do not die in vain.

"And it is not too much to ask the Salvadoran Christian Democrats and even the most right-wing groups that this time they rise above and abandon ideologies and sectarisms to be generous with the enemy even beyond what seems emotionally possible so that they might not keep, indirectly, the long-suffering peoples of Salvador and Nicaragua from starting a new life in an environment of peace and liberty. After so much noble battle, social welfare will be forthcoming. God helps the faithful."

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CSO: 3010/1648

## MARIO SANDOVAL CALLS FOR RETURN TO NORMALCY, ELECTIONS

Guatemala City PRENSA LIBRE in Spanish 17 Apr 82 p 9

[Text] "I believe that a return to constitutionality should be offered to the people as soon as possible, not hastily but within a reasonable period of time," stated the attorney Mario Sandoval Alarcon, former presidential candidate of the National Liberation Movement [MLN].

"I say it because a de facto government is well received by the people at the beginning when they approve of everything. But after a certain period of time, the reverse occurs, deterioration is very rapid because of the fact that it is a government born of a coup de etat.

"For this reason, the government has problems in acquiring foreign capital because it is a de facto government; because of its instability, there must be a system of legality," he added.

"We are going to introduce to the military junta of the government a very nationalistic plan including the various steps to be taken for a return to institutionality.

"Many of the problems that arise after a coup must be resolved under the legal system.

"However, I encourage the entire population, regardless of political belief, to cooperate in order to preserve the peaceful atmosphere that currently exists in the country.

"A law by decree that sets standards relating to the election of a constituent assembly for a return to constitutional law would be sufficient," insisted Mario Sandoval Alarcon.

"If constituent elections were held next September, the new constitutional government could take office on 1 July 1983. In other words, the current government junta would have to be in office 14 months.

"It is not advisable at the present time to write up a new election law," he stated; "a decree is sufficient because it will be the next constitutional government that issues the election laws when it writes a new constitution, within certain standards.

"Leaders of MLN are working on a draft for an electoral law by decree as a contribution to the government junta. When we finish it, we will present it to them for consideration.

"According to the aforementioned decree," he added, "the election of constituents would be held in September. Next October, the constituent government would take office. By February or early March of next year the new constitution would be in force. In other words, they would have 5 months to discuss the new Magna Charta.

"General elections would be held in April pursuant to the new election law, and the inauguration of the constitutional president of the republic would be on 1 July of the coming year. Fourteen months is a reasonable period of time.

"A big electoral campaign would not be necessary," he commented, "because the parties already have their staffs, they have recently carried out a campaign and have explained their platforms, and only a few changes would have to be made. They do not need much time."

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CSO: 3010/1671



## ENGINEER CALLS FOR INCENTIVES TO OIL COMPANIES

Guatemala City PRENSA LIBRE in Spanish 23 Apr 82 pp 2, 73

[Text] "Rather than considering the nationalization of Guatemalan oil, which is, in reality, already nationalized because it is state-owned, efforts should be increased to encourage more companies to come to explore and to provide greater assistance to those companies already in operation," stated Erick Klanderud H., petroleum engineer, yesterday.

"It is too soon to talk about the nationalization of that energy source because we are dealing with a petroleum industry still in its early stages; furthermore, the economic situation of the country is not strong enough to consider taking such a step. Finally, we need foreign capital and technology to develop that vital resource for our economy."

After pointing out that at present in Guatemala, there is neither money nor sufficient technology to take on the responsibility that such a nationalization would entail, Klanderud continued:

"The most urgent thing of all is to modify the current ineffective oil legislation, and especially now when because of the economic situation of the country, we need all the help possible to expand the only industry which to date has produced a good foreign exchange.

"The two most recent auctions for granting areas designated for exploration," he added, "prove the failure of our oil legislation and policy, since only one company of those already operating here has come to bid on each occasion, or in other words, no new company is interested in Guatemala, in spite of the excellent prospects.

"Foreign companies, and I verified this personally in 1981, are not attracted to coming to Guatemala because of our laws which are inflexible, out of tune with reality and impractical. In the second place, there is debate over the political situation, but this is not the main problem, as the public has been led to believe.

What then?

"Simply that in reality, the fact is that oil companies do not need Guatemala, while on the other hand, our country does need their investment in order to fully develop our oil resources. I therefore urgently recommend a 360 degree turnabout in the national oil policy. I suggest that foreign companies be made welcome and that they be given assistance with their applications; and above all, that the attitude of the government and the notable law be substantially modified."

"What do you mean when you say that the government should change its attitude?"

"That is should offer better incentives. At present, the companies give the government between 55 and 75 percent of their production depending on the amount produced, and with the rest (45 to 25 percent) they must recover their investment costs, cover operating costs, build highways, hospitals and schools and give 250,000 quintals to the government annually for scholarships to Guatemalans.

"That they also impose a more reasonable fee than the present one of 50,000 quintals for simply offering a bid and 1 million for signing a contract with the government."

In the opinion of engineer Klanderud, the companies, with the consent of the government, should be the ones to choose the areas where they want to explore since they are in the best position to determine which areas would have the greatest potential for oil. It is presently the government that chooses the areas, and if the companies like them, fine; and if not, they do not come, he commented.

"I have expressed my concern on many occasions with regard to the little importance that previous governments have placed on oil, and I fear that the same thing will happen that occurred with nickel, which previous governments claimed for years to obtain maximum benefits for the country in defense of the national interest.

"In this way, well-timed development was sadly delayed when the price was favorable. Now the only thing that remains of that mineral is the memory of the foreign development company that definitively closed down operations in our country, according to a report published in DIARIO DE CENTRO-AMERICA on the 20th of this month.

"Certainly it is very laudable to be patriotic and to protect the national patrimony, but it is also very irresponsible and lacking in insight, through ignorance, excessive prudence, distrust or whatever, to allow the people not to enjoy the independence which is their right through the rational and fair development of their oil.

"And finally, I believe," concluded Klanderud, "that it is the fundamental responsibility of the present government to exhaust all possibilities in order to insure that this resource receives the emphasis that it deserves in the economy of the country."

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CSO: 3010/1671

## BRIEFS

COFFEE SURPLUS--Guatemala City--Of nearly 1 million quintals of Guatemalan coffee available for consumption on the international market not subject to world trade agreements, only 300,000 worth has found a market. This means that only 30 percent was sold of the coffee supply which cannot be sold under the quota system that has restricted Guatemalan exports to a considerable extent. According to reports given to the press by the president of the exporters, Mr Eduardo Gonzalez, the sales rate for the main export is at a level far below the financing needs of the national coffee industry. Ideally, profits from coffee sales are used for the financing necessary to maintain and increase production levels, but conditions have reversed themselves; alternate sources must be found to resolve the financial problem. Coffee producers and exporters agreed in meetings held yesterday that it is urgent to determine ways of financing the coffee industry as soon as possible. There are suggestions to this effect before the national council on coffee policy and approval is being awaited on a system of security bonds as an initial step. Domestic financing for the coffee industry will be obtained in the form of credits under terms consistent with the circumstances and liabilities incurred will be paid with income obtained from projected coffee sales, under the quota system and from sales on the market not subject to agreements. Preliminary estimates by coffee organizations indicate that in order to guarantee the highest possible production volume for the 1982-83 cycle, more than 100 million quetzales are needed. [Text] [Guatemala City PRENSA LIBRE in Spanish 27 Apr 82 p 3] 9787

SUGAR EXPORT--Guatemala City--This year Guatemala will export 5.5 million quintals of refined white sugar, which means an income of 60 million quintals in net foreign exchange, according to a statement yesterday by Jose Luis Buscayrol, an engineer with the Sugar Growers Association. Buscayrol made the announcement during a visit to the secretary of economics, Mr Julio Matheu. He said that it will be the highest figure ever recorded in the history of national sugar production. He added that, in general terms, production could approach 12 million quintals and that as production costs are reduced, the consumer will be the direct beneficiary, since the price of sugar will necessarily decrease. He said that 5 million quintals could be earmarked for domestic consumption. He also indicated that sugar production requires low expenditures, for raw materials as well as investment costs. Engineer Jose Luis Buscayrol also said that Guatemalan sugar has been sold in the markets of Mexico, Ecuador and Venezuela, but that the

Soviet Union is where the greatest amount has been sold (45,000 tons) distributed in three shipments of 15,000 tons each. "In this way," he stated, "a solution is being found to the serious economic problems which face Guatemala. The sale of sugar in large volumes encourages the sugar grower and the mills to increase and improve production, besides contributing to avoiding a reduction in the labor force and preventing socioeconomic problems which become more complicated." In another part of his statement, engineer Buscayrol said that free market competition has resulted in sugar being sold, for several days, at a much lower price than the one set by the Ministry of Economy, a fact which benefits the public. Actually, in some areas, a quintal of sugar has been selling for 19 quintals, in other areas for 21 and in most areas for 23 quetzals which is the maximum official price. [Text] [Guatemala City PRESNA LIBRE in Spanish 22 Apr 82 p 16, 68] 9787

CAN'S LEADER ON ELECTORAL FRAUD--Guatemala City--"It would be as illogical for Gen Anibal Guevara to admit that there was fraud in the elections, which according to him, his party had won, as it would for the young officers of the national army to have staged a coup had this fraud not taken place." The lawyer, Mario Aguilar Arroyo, provisional secretary-general of the Authentic National Headquarters [CAN], made the above comments referring to statements made the day before yesterday by General Guevara, to the effect that there was no fraud in the recent general elections. Aguilar Arroyo also referred to statements made by the lawyer, Gabriel Giron Ortiz, secretary-general of the Nationalist United Front [FUN], who stated that he was surprised at his party not being invited to discussions held by leaders of the National Liberation Movement [MLN], the Reformist National Party [PNR], CAN and Christian Democracy [DC], after participating actively in the purification which the military junta of the government is carrying out in all areas. "FUN formed a coalition with the Revolutionary Party [PR] and the Democratic Institutional Party [PID], who supported the candidacy of General Guevara Rodriguez." He added, "The acceptance by the people which the military action of the 23rd March has enjoyed, confirms the satisfaction felt by the people with the rescue of their values and their will. With respect to the statements of Giron Ortiz," he reiterated, "the statements expressed by that official seem to me to show a lack of respect, since it is incompatible that FUN, which was part of the extinct Popular Democratic Front and which actively participated in the election fraud, would be invited now to join the ranks of the parties that, leaving aside any sectarian interests, have united to support the government junta, showing their true patriotism." [Text] [Guatemala City PRENSA LIBRE in Spanish 23 Apr 82 p 11] 9787

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UNCOMPLIMENTARY PORTRAIT OF SENATE LEADER GAMBOA PASCOE

Contraband Scandal

Mexico City PROCESO in Spanish 7 Jun 82 pp 6-9

[Article by Oscar Hinojosa, Francisco Ortiz Pinchetti and Manuel Robles]

[Text] Repeatedly blasted as a politician, discredited as a labor leader, accused of taking dollars out of the country and implicated in the unsuccessful attempt to smuggle merchandise through the airport, Joaquin Gamboa Pascoe has now been fingered, on top of all this, as a despot who exploits Senate employees.

The last straw.

The last straw that rounds out the portrait of a paradoxical man: the cause of a deep split in the Federation of Workers of the Federal District, which he heads, he has become one of the "strong men" in the labor movement; having committed countless political blunders over the past 6-year term, he has strengthened his position as Senate leader; an intrepid "defender" of the rights of the workers, he plays golf and cultivates friendships with business magnates.

The labor leader is now turning out to be an abusive boss who has gone so far as to violate labor laws.

Gamboa Pascoe has, in fact, subjected the majority of Senate white- and blue-collar workers to substandard working conditions, not without ignoring the labor movement's longstanding and recent gains, some of which no one any longer considers improper or excessive.

An example: the man who has run the Senate like a despotic feudal lord, who has offended both his own colleagues and employees and secretaries, has not deigned to authorize the 10.2 and 30 percent wage boosts recommended by the Secretariat of Labor and ardently backed by the Confederation of Mexican Workers (CTM) itself.

Gamboa Pascoe, the formal leader of Federal District workers belonging to CTM unions, has ordered that a certain number of Senate employees

be paid less than the legal minimum wage (even today, when the minimum is 10,920 pesos a month in the Federal District, some secretaries of senators make just 6,000 pesos, with receipts of course), in addition to which they do not enjoy any fringe benefits.

Senate employees gave PROCESO a list of administrative and labor irregularities that chief clerk Alberto Briceno Ruiz, Gamboa's companion in the 47th legislative session, has engaged in on his behalf and with his support.

With assurances that their names would not be disclosed, the workers submitted copies of job descriptions that give an idea of working conditions in the Senate. One of the documents highlights Gamboa Pascoe's partiality to labor. Point five says, in parenthesis, that the salary set for shorthand typists in the budget of the Honorable Senate is not to be supplemented by fringe benefits. No social security, no ISSSTE [Institute of Social Security and Services for Government Workers] and certainly no bonuses, no fringe benefits in the Senate, period.

But the Senate's administrative personnel are not the only ones with whom the labor leader has been arbitrary and despotic. He has also acted this way to his peers, the senators of the republic. For example, he has systematically refused to assign some of them a secretary, even though the upper house has positions open, though no one knows who's getting the checks.

According to reports, Senators Jose Luis Escobar, Salomon Gonzalez Balnco, Gustavo Baz and Eliseo Jimenez Ruiz are among those whom Gamboa Pascoe has refused to assign a secretary.

Several of them, like Baz, chose to employ their current secretaries at their own expense.

One of the highlights of Gamboa Pascoe's Senate leadership, which began in 1976, is that the promotion roster has never, so far at least, been changed, unless it was to help out one of his very few, very select partisans.

Another trait of his Senate leadership has been harsh austerity...in connection with office supplies (paper, pens, pencils, envelopes, folders, lightbulbs). Employees and secretaries have gotten used to making do (even carbon paper is in short supply). Some offices worked for long periods in semidarkness because lamps or bulbs were not available in the Senate.

"We're on an austerity program" was the remark that defined Gamboa Pascoe's administrative policy.

All of this is fine, say the workers who outlined the case, as long as the audit that they are calling for gets done, so that they can shed light on the results of an austerity policy (which was imposed not now

but back in the years of government overconfidence in light of the bonanza on the horizon) that sacrificed worker pay and fringe benefits but that did not extend to the wealthy leader of the Senate.

And it would be a good idea too if the audit, which the white-collar employees are calling for also, could shed some light on the whereabouts of the three chandeliers that used to hang in the corridors of the old Xicotencatl building and that disappeared after the Senate seat was remodeled.

#### The Smuggling Scandal

Joaquin Gamboa Pascoe is indeed a paradox. A tough, tight-fisted boss, he spends money and acts like a tycoon.

The bad part, however, is that he does so above the law.

Gamboa Pascoe headed up the Mexican delegation that took part in the United States-Mexico Joint Congressional Meeting in Santa Barbara, California the last week in May.

Gamboa Pascoe went and returned amid scandal.

When he departed, Gilberto Rincon Gallardo, a PSUM deputy, disclosed that the Senate leader was on the list of people taking dollars out of the country. The Socialist legislator claimed that he had proof that Gamboa Pascoe took more than a million dollars out of Mexico.

When he returned on Tuesday 1 June, the Mexican congressional delegation that he headed was involved in an incident in which customs agents at the Mexico City international airport confiscated a large number of costly imported items that they were trying to smuggle through.

In both cases Gamboa Pascoe claimed innocence.

As on previous occasions, he said once again that he was the victim of an orchestrated smear campaign.

Rincon Gallardo had said that "there is no mistaking the facts" and reiterated that he had proof of what he was saying. "I have the hairs of the horse here in my hand," he said; "that's why I can tell what color it is." And he offered to furnish, at the appropriate moment, the proof that Gamboa Pascoe had taken dollars out of the country. He also accused him of illicit enrichment.

This scandal at the airport started when the assistant head of customs, Enrique Cordero Bustamante, ordered a check of the many pieces of luggage brought in by the Mexican delegates who, accompanied by their wives, had arrived minutes before on an Aeromexico charter flight.

In suitcases, pocketbooks and boxes the inspectors uncovered costly jewelry, television sets, microwave ovens and video cassette recorders.

According to some accounts, the legislators angrily tried to use their influence to prevent the illegal merchandise from being confiscated, which it finally was.

Airport customs reported that the confiscated merchandise was placed in 10 large boxes and that "unofficial" vouchers had been issued to the owners. However, the vouchers were delivered to Senate employees, and therefore it could not be established, according to customs, to whom the packages belonged.

Initial newspaper accounts claimed that most of the confiscated items, the two microwave ovens in particular, were among Joaquin Gamboa Pascoe's baggage.

But Senator Morelos Jaime Canseco, who kept coming out in defense of the delegation, asserted that the Mexican legislators were not involved in what happened at airport customs.

In responding to the charges against the Mexican delegates, Jaime Canseco said that he never engaged in influence peddling and that he only tried to enable the owners of the items bought in the United States to remove the boxes containing them from the airport. He explained that in light of the refusal of Cordero Bustamante, who is said to be a political buddy of Miguel de la Madrid Hurtado, he chose to leave the airport.

For his part, Gamboa Pascoe categorically denied the accounts appearing in several newspapers. "Nothing that they're saying about me is true," he stated.

He said that immediately after arriving at the airport he was taken to the official reception room, where he held a press conference to report on the results of the joint congressional meeting, a conference that lasted 20 minutes.

After his talk with newsmen, he added, he headed right for his car, without going through customs and "obviously without trying to talk to anyone and certainly not to Mr Cordero Bustamante."

The Senate leader indicated that the Mexican delegation consisted of 10 senators, 16 deputies, accompanied by their wives, 35 reporters and a technical advisory team.

"I do not know whether any incidents took place, but of course I deny the claims that are unfairly being made about me." He said that he had bought only "a suit, two shirts and a pair of socks" during his stay in the United States.



Gamboa Pascoe repeated his explanations on Thursday the 4th during a televised interview. During this interview, which was surprisingly and unusually long when one considers the cost of commercial television air time, the Senate leader spoke in his own behalf for more than 15 minutes. He claimed he was the victim of slander and libel and he attributed the scandal to an "orchestrated campaign" against him, though he did not say who was behind it.

#### History of Blunders

Two years ago, after another political scandal arising from his participation in another Joint United States-Mexico Congressional Meeting, Gamboa Pascoe used the same argument in his defense.

In May 1980, in a speech attended by President James Carter, Gamboa Pascoe voiced Mexico's support for U.S. policy towards the Soviet invasion of Afghanistan and held the Iranian Government responsible for the takeover of the U.S Embassy and the seizure of the hostages.

After his speech, Gamboa Pascoe was accused of being an "out-and-out opportunist" by the leader of the National Action Party (PAN), Abel Vicencio Tovar, who was on the Mexican delegation to the meeting. Vicencio Tovar said that Gamboa Pascoe also "systematically closed off all access to information" for the members of the delegation he headed, nor did he advise them about the thrust of his speech or even about the content of the final joint communique.

Gamboa Pascoe was accused by the opposition of having made statements "on Mexico's behalf" without any authorization to do so and of having sold out to the Carter administration.

A few days later he denied this in an interview. "In no way did I compromise the people of Mexico," he said. "I never spoke on behalf of the Mexican people. This whole thing is an orchestrated, paid campaign to discredit not the Senate leader but the institution..."

The fact was that the Senate leader no longer had to be discredited; his own actions throughout his union and political career had discredited him.

In the first place, this labor leader was never a laborer.

A lawyer by profession, Gamboa Pascoe owes his union career to the legacy of Jesus Yuren, one of the famous "seven wolves," who "invented" him as a labor leader and named him his successor in the Federation of Workers of the Federal District (FTDF).

As a politician, his background is weak. Twice he held the seat in the Chamber of Deputies assigned to the FTDF leader and a third time he suffered an embarrassing defeat at the hands of PAN candidate Javier Blanco Sanchez in 1973.

He received another valuable legacy though. When Carlos Sansores Perez moved over to head up PRI in 1976, he handed over the leadership of the Senate to Gamboa Pascoe.

Paradoxically, once again, his reputation as a millionaire is not the result of an inheritance but of his brief career as a defender of worker rights and as a representative of the people.

In the Senate his leadership has meant something more than the customary unconditional subservience to the orders of the Executive Branch; he has also committed frequent blunders that have brought him unending criticism and not a few scandals.

To cite just the most recent examples, he pulled a crass maneuver to protect the then governor of Coahuila, Oscar Flores Tapia, whom the opposition had accused of "inexplicable enrichment."

Gamboa Pascoe resorted to an "early-bird" session on 2 July 1981 and then argued that there was a lack of a quorum in the Standing Congressional Committee, which he chaired and which was supposed to take up the Flores Tapia case.

And then last December, the Senate "froze" the law to regulate gifts to government officials, which had already been passed by the Chamber of Deputies on President Jose Lopez-Portillo's initiative.

Before the Senate decision, Gamboa Pascoe had suggested the fate that was in store for the bill on gifts, commenting that it contained a series of "grave errors" and that it was not "functional."

On that occasion, of course, Gamboa Pascoe boasted of his honesty when he noted that "we must not allow corruption" and that "we must enforce the law, because we are not living in the jungle or the wilderness."

It is precisely this, enforcing the law, that the opposition, PRI leaders and the Congress itself are demanding in connection with the smuggling scandal, the latest one that Gamboa Pascoe has been implicated in.

The authoritarian, arrogant and powerful labor leader, a member of the Club de Golf Mexico (like Jose Lopez-Portillo, Jorge Diaz Serrano, Francisco Vizcaino Murray, the Espinosa Iglesias, the Azcarragas and the Abedrops) and an elegant millionaire is today embroiled in a political tempest that ought to be his last.

The president of the Labor Congress, Luis Jose Dorantes, has already called for putting an end to abuses such as "when senators and deputies have tried to bring in merchandise illegally."

Luis M. Farias, the leader of the Chamber of Deputies, has already strongly appealed for an immediate elucidation of the airport scandal, "so that we can proceed to precisely determine official responsibilities,

regardless of who might be involved, to prevent the good name of the Congress from being tarnished." He said, furthermore, that "for the sake of the truth, we ask the Customs Bureau to furnish the pertinent information, and if there has been any violation of existing law, it should be strictly enforced."

Farias's proposal was unanimously approved on Thursday the third by deputies and senators from PRI, PDM [Mexican Democratic Party], PPS [Popular Socialist Party], PSUM and PAN at a session of the Standing Committee.

PSUM legislators such as Rincon Gallardo and lawmakers from other opposition parties have already called for a revocation of Gamboa Pascoe's immunity so that he can respond to the new and old charges against him.

And he would also have to respond to the charges that his own workers in the Senate have leveled against him, describing him as an employer who violates the most basic labor standards.

#### Controls FTDF

Mexico City PROCESO in Spanish 7 Jun 82 pp 8-9

[Article by Guillermo Correa and Salvador Corro]

[Text] The Federation of Workers of the Federal District is Joaquin Gamboa Pascoe's own little fief. At the same time, its 23 sections are like mini-Mafias vying for the political control and economic benefits that enable two million workers to be manipulated.

The FTDF has everything mapped out. When a group of workers in the metropolitan area tries to register as a union, they find that there is already a union in that company or branch and that it is affiliated with the federation, of which Gamboa Pascoe is czar. They then discover at conciliation meetings or in the Secretariat of Labor that they already belong to a union, a branch of the CTM by way of the FTDF.

This was what happened to the workers at the Psacual Soft Drink Bottling Plant when they went before the labor authorities to demand the emergency wage adjustment. They were shown a contract that had been signed in January. They were thus prohibited from forming their own organization, aside from the fact that they had never received any benefits from the much-talked-about union.

An ungrateful heir of the FTDF (he caused a split in the CTM's right-hand organization), Joaquin Gamboa Pascoe is grooming his successor: Joaquin Gamboa Enriquez, his son.

Two of the 23 sections are important: the 4th, because it is regarded as the one most loyal to Fidel Velazquez, and the 23rd, which his son Joaquin is in charge of. The eighth is also important, though less so, because it is run by his other son, Armando Gamboa Enriquez.

Gamboa Pascoe decides who the director of each section is. For example, he just appointed Ismael Martinez Hoyos, who used to be Senate treasurer, as the head of Section 18.

The hallmark of the kind of unionism that the federation practices is that it protects the companies above all. And it does so by selling collective contracts, forming shock groups, breaking up strikes and, in general, engaging in all sorts of gangster-style activities, according to Bertha Lujan, from the Authentic Labor Front (FAT), who has described the type of unionism that characterizes the federation.

Examples could be cited from many sections. For instance, last year at least five unions undertook campaigns against Section 4, which is headed by Abraham Martinez.

The workers in small and medium industry are increasingly unhappy, the reasons being low wages, the lack of fringe benefits, the violations committed by the companies and the repression that the workers suffer.

The underlying reason is the acquiescence and complicity of the unions (unions in name only), whose existence only the leaders themselves are aware of.

The workers at Cobre de Mexico, Efforts S.A., Ideal S.A., Frenos Hidraulicos and other companies left the FTDF to join the FAT when they found out that for years they had belonged, unknowingly, to the federation. They found out when they appeared before the labor authorities to defend their rights.

The situation is no different in the section headed by Joaquin del Olmo. The case of the bus drivers is a good example. After they were exploited for 50 years by the bus service permit holders, they decided to unionize. But the same thing happened here. Joaquin del Olmo Reyes had been in possession of the collective contract for years, and that was not all. He also received the union dues. Finally, the section lost the union.

Another example in the same section involves the workers at the Admiral company, who last December challenged their leaders for having signed a collective contract without their consent.

Around that time, Abraham Martinez, the chief of Section 4 and currently a candidate for senator, headed up a group of gunmen to break the strike that had been dragging on, by decision of the workers, in Gamesa S.A.

Two months later events were to repeat themselves. On 17 and 18 February of this year, the 1,500 workers at Lance S.A. were attacked with the same methods used against the workers at Pascual. Trailers driven by armed men forced open the doors to the plant. A half dozen workers were injured in this incident.

Around that same time, the workers at Acer Mex and Carabela were assaulted not only by the owners, The Monterrey Group, but also by Section 4, which for several years had been trying to impose an Executive Committee out of touch with the rank-and-file.

The result: 2 dead, a 4-month strike, 12 Executive Committees deposed and an undetermined number of firings.

The FAT can cite an endless list, pointing out that the most clear-cut example of the kind of unionism that Joaquin Gamboa Pascoe heads up involves the bricklayers, who do not even enjoy minimum on-the-job safety conditions, are poorly paid, work long hours, etc.

The squabbling that until some 2 years ago took place only between section leaders has now extended outside the FTDF. It has been fueled by Joaquin Gamboa Pascoe's neglect of his organization, because he would rather be known as the leader of the Senate.

The FTDF's main enemy at present is the Confederation of Peasant Farmer Workers, which now has better ways of providing protection for the companies, such as more disciplined shock groups, sophisticated systems for infiltrating the unions and, most importantly, no strife among members.

The current head of the National Worker and Peasant Farmer Council of Mexico, Leopoldo Lopez, is quite familiar with the workings of the FTDF because he sat on its Executive Committee until Joaquin Gamboa Pascoe arrived. He has disclosed the following:

The FTDF is crumbling because Gamboa has abused its methods and, absurdly, is resorting more and more to strikebreakers. He adds: "They don't bother us because we have gunmen too."

And he recalls: "Joaquin Gamboa Pascoe was the storyteller at get-togethers. Yuren formed Section 23 for him (which his son now runs) with workers who had died. He never did anything. We had a monthly dinner, and he used to entertain Yuren with his stories."

Leopoldo Lopez says this about how Gamboa Pascoe became the czar the FTDF: "Yuren got sick and asked Gamboa to sit in for him while he was incapacitated. I was against this because Carlos L. Diaz, who was the adjunct, was overlooked, and Joaquin was involved in political action. When Yuren passed away, Fidel Velazquez preferred to back Gamboa Pascoe rather than keep 180,000 workers within the federation's rank.

"That's why seven members of the Executive Committee quit: Leopoldo Ceron, Carlos L. Diaz, Luis Diaz Vazquez, Catarino Rivas, Pedro Rosas and the Galan brothers."

Leopoldo Lopez also talked about Joaquin Gamboa Pascoe's personality. This is how he described him: "A despot, negative, haughty, thinks he can do no wrong and always has the best luck in the world.

"When he was a law student, he got in good with Yuren in the textile union. Not too long after, when a companion of his died, he took charge of union contracts with major companies like Televisa, Rambler and Chrysler. Later, he was nominated to run for a deputy seat but was beaten by PAN. His luck did not leave him, however, because 3 years later, in 1976, he got into the Senate.

"Now then, throughout the time that he has been in the Senate, the post of secretary general of the FTDF has seemed like small change to him, and he has practically abandoned it. That leaves Abraham Martinez, who is a good man but doesn't have the stature to run it. That's why Gamboa Pascoe has gotten his sons in, in a bid to prolong the dynasty of the best business that he has ever known: the workers.

"The federation is resorting to increasingly desperate, though not novel, methods to control the workers. The hundreds of jobless persons who come to the federation looking for work are forced to show their obedience by attending the political rallies that PRI or the administration stages.

"If that is unionism, then I'm Napoleon," concludes Leopoldo Lopez.

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## CHIAPAS GOVERNOR CUTS AID TO VOLCANO VICTIMS

Mexico City EXCELSIOR in Spanish 18 Jun 82 pp 1-A, 22-A

[Article by Aurora Berdejo A.]

[Text] A week ago Chiapas Governor Juan Sabines Gutierrez ordered aid almost completely cut off to the 30,000 Zoques who were affected by the eruption of the Chichonal volcano and who are now the victims of poor treatment at the centers at which they are staying.

Isabelino Guzman Velazquez, the chairman of the Supreme Zoque Council; Pablo de Feria Dominguez, president of the Guadalupe Victoria ejido headquarters; Pablo Diaz Gomez, president of the Chichonal Volcano ejido headquarters, Aquilino Gonzalez Bautista and Baldomero Martinez, representatives of the Chapultenango peasant farmers, made the above complaint in a letter to the president of the republic yesterday.

In an interview they claimed that Sabines Gutierrez is trying to pressure the Zoques to return to their places of origin, where for the time being, they pointed out, survival is impossible because settlements and crops were scorched.

They accused Sabines of refusing to buy the lands that the federation offered for the relocation of the 30,000 Zoques. Among them are children, women and elderly persons, who they claim are even being beaten at the shelters.

The Zoque leaders mentioned that the main camps are in La Chacona, Chiapas and in Tomas Garrido Park in Tabasco, adding that there have been cases of rape at the latter.

They went on to say that the other shelters that were set up in cities such as Coatzacoalcos have already been closed down because the peasant farmers went back to Chiapas and Tabasco, where they were promised land, sheet metal to build homes, jobs and money to tide them over.

None of these promises were kept, however, they added. On the contrary, Sabines asserted that because the fields were making a comeback in several areas near Chichonal, the peasant farmers could now return to their devastated towns.

### Coatzacoalcos Did Help Them Out

The Zoque leaders also mentioned that the only place where they were helped in every way after their misfortune was Coatzacoalcos, where they were aided by agencies such as Pemex, had access to doctors, nurses and social workers and were given food, clothing, a roof over their heads and shoes.

They indicated that at the shelters, instead of organizing literacy, bricklaying, woodworking or other training courses, the volcano victims were locked up, given rationed food and treated poorly.

The Zoque representatives pointed out that the eruption of Chichonal wiped out the towns of Guayabal, Guadalupe Victoria, Volcan Chichonal ejido, San Pedro ejido, Tanchichal, Candelaria, San Juan Bosco, El Naranjo ejido, Trinidad ejido and the municipal capital of Francisco Leon Nicapa.

The following towns were partially destroyed: Acambac, Rio Negro, Valtierra, Movac, Nanchita and the municipal capital of Chapultenango, as well as Tanapac ejido, Ixtacomitan, El Escobal, Xochimilco and Linda Vista.

They noted that the death toll from the volcano's eruptions was an estimated 2,000, and 1,000 of these deaths were caused by the intransigence of Governor Sabines Gutierrez, who did not allow the peasant farmers to leave the town of Francisco Leon soon enough.

Now, they emphasized, aside from the fact that we are not getting any help, they want us to go back to our scorched towns, where we can't grow anything.

8743

CSO: 3010/1776



## JALAPA ARCHBISHOP URGES CHRISTIAN POLITICAL ACTIVITY

Mexico City EXCELSIOR in Spanish 18 Jun 82 pp 4-A, 30-A

[Article by Federico Ortiz Jr]

[Text] Christians need to reappraise political activity as one of the noblest and most effective ways to serve others in truly promoting the common good. "Mexican-style" politics will not be renewed and ennobled if Christians do not become involved and imbue politics with the teachings of the Gospels, acknowledging their legitimate autonomy, said the archbishop of Jalapa, Monsignor Sergio Obeso Rivera, in a pre-election pastoral message to his diocese.

Indifference, lack of interest, lack of solidarity and voter abstention are not the way to correct the shortcomings in our political and social life, asserted the Church hierarch, and much less are they ways to affirm civic values.

He recalled that in a message to the Mexican people the episcopate noted that with our conduct we can all work for and demand truth, justice, unity and responsibility in relations or we can practice and encourage corruption, the concealing of the truth, selfish interests, cowardice and oppression.

In his 10-page, 75-point message, Monsignor Obeso Rivera urged Catholics "not to lend an ear to the negative and catastrophic rumors about the country's future, not to believe the prophets of doom who foster a climate of social instability, but instead to confront the present situation with trusting hope and responsible involvement."

"Industrialists, businessmen, merchants, Christians, you must all have confidence that the crisis will be overcome, decide in a Christian manner to reduce your profits and reinvest in the production and marketing of needed goods, in particular. In grouping together to defend your legitimate rights, bear in mind the rights of the other segments of the population."

## Neither Consensus nor Optimism

In the document he analyzes the country's present economic, political and social situation. He says that "the crisis in our national economy offers an opportunity for growth but also poses a risk of grave deterioration. More noticeably, the people in general have seen that the weakest segments are especially hard hit, which creates unhealthy attitudes that are not good for social peace."

He mentions "the drop in production, the fall in the buying power of the peso, the fear of lapsing into a recession, and unemployment, which could trigger serious social instability."

The economically powerful sectors, especially the transnational corporations, do not seem generously willing to "moderate their profits and, therefore, to promote the climate of austerity that we need. Moreover, because of the consumer culture that is invading us, because of the habits that have already become instilled, in general the people do not seem willing to save and tighten their belts."

We have, he says, an economy that is heavily dependent on the powerful countries, without whose capital and technology we cannot advance. We get the feeling that we have not always been told the truth and that we have only been shown the bright side, amid growing mistrust of institutions and repeated promises.

"Given our past experiences, there is no consensus, much less optimism, regarding the positive measures that the government has recently taken to cope with the crisis. Irresponsible rumors that frighten the populace are snowballing."

## Lack of Interest in Participation

Monsignor Obeso Rivera stated that comparing the current situation with the past, there is now a wider range of party and candidate choices, although there are not necessarily more ideological options.

"The parties' election campaign does not seem to have aroused much interest in political participation among the masses. We hear complaints to the effect that collective manipulations in the search for vote promises and certain fraudulent practices that were very common in the past are still around.

"It is feared that voter abstention will increase or at least not drop. Young people do not seem enthusiastic about becoming actively involved in the nation's civic and political life.

"Most of the people do not want sudden or violent changes in replacing our government leaders, which is a sign that fortunately they have not become desperate and are not afraid of the upheavals in Central America. Luckily, developments that could seriously threaten our weakened social peace are not expected. It seems that most people are interested more in resolving our economic problems than in seeing another political campaign."

"The lack of instruction about politics, compounded by corrupt political activity, has engendered either contempt for this noble pursuit or its manipulation for economic gain and the accumulation of power and influence.

"Corruption, both public and private, which is one of the causes and consequences of our social situation, cannot be overcome with laws; it can be defeated only through true comprehensive education based on transcendental values.

"The radical, extremist ideologies of the Left and Right cause divisions among the various segments of society and give rise to violence in response to the exploiter-exploited tandem."

The archbishop noted that when legal channels exist, violence as a path to social change runs counter to Christian justice and charity, triggering further violence that usually hurts the innocent.

Separately, the bishop of Leon, Monsignor Anselmo Zarza Bernal, said in his pastoral letter that in exercising their right to vote, Catholics should bear in mind the duties of their faith and not vote for ideologies that, like Marxism, are opposed to it, inasmuch as this atheistic materialistic philosophy denies supernatural truths. "One cannot be a Christian and a Marxist at the same time," he recalled.

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## OPERATION AGAINST COUNTERREVOLUTIONARIES DESCRIBED

Managua EL NUEVO DIARIO in Spanish 12 Jun 82 pp 1, 12

[Text] (Special report from the mountains)--"In some way one can say that this was a surprise encounter. Our squad had started out with the mission of patrolling this side of the border (referring to Tatasli), where the counterrevolutionaries had penetrated several times to murder Nicaraguan brothers and to burn the homes of the peasants who support the revolution.

"They had come along this trail, between those two hills; they had entered on the Honduras side and they were heading to the village of Tatasli [as published]. There were 17 heavily armed individuals," said the comrade squad leader who had clashed with a band of Somoza guards operating in the area of Jalapa.

Jalapa is a small town located in the remotest part of Nueva Segovia, 75 kilometers from Ocotal; it is practically surrounded by Honduran territory which turns it into the perennial target of bands operating from that country against Nicaraguan soil.

## Historical Mountain Range

The mountain range which is named after this place was for a long time the center of operations of the National Sovereignty Defense Army and later on the FSLN [Sandinist National Liberation Front]. German Pomares, who fell in the liberation struggle, Omar Cabezas, Walter Ferreti, and Omar Hallesleven were among those who operated along its slopes.

Last Tuesday, Jalapa was the scene of one of many heroic actions by our armed forces when a band of counterrevolutionaries, consisting of some 17 individuals, was scattered by a squad of reserve militiamen from the 8011th Battalion from Granada.

## Former Sergeant Was Leader

The leader of the band, a former sergeant in the defunct National Guard, by the name of Isabel Casco Roque, killed on Tuesday, began his activities in July 1981, establishing contact with some Somoza followers in the area who helped him in organizing a logistic support base among some peasants most of

whom were the relatives of members of the former National Guard who are now in Honduras.

Casco entered Nicaraguan territory three times with the intention of personally recruiting his collaborators primarily in the communities of Terrerio and Jalapa.

"They thought that they could come and go with impunity, the way they had done on other occasions; but they did not figure that we were getting stronger everyday. We can assure our people that, no matter what they do, no matter where they enter, regardless of whose support they get, the counterrevolutionary bands shall not pass."

#### High Morale and Sense of Responsibility

"We have excellent fighting spirit; the comrades are aware of the responsibility that rests on our shoulders. Are we ready to wipe them all out? Just give us a little time and we will knock off another six counterrevolutionaries," said a young fighting man from the 8011th who is also a member of the Sandinist Youth of Granada.

Another one added: "The fight lasted only 20 minutes and, as happened in the past, the guards had low morale. When they saw us, they broke up in disorder. When the first counterrevolutionaries were wounded, they scattered in every direction. They began to shout with fear and to ask their buddies not to abandon them."

After the action was over, the corpses of the band leaders, a FAL rifle, and numerous military equipment items were left on the field. On the next day, we found another two corpses, another FAL rifle, and more military equipment near the border with Honduras on Nicaraguan territory.

#### Operating in Uniform

The members of the counterrevolutionary group were wearing uniforms with blue shirts and olive-drab trousers. One of the men was wearing a shoulder patch with the inscription: "Pino 1 Commando," with a little pine tree in the center and on his chest he also had an insignia reading: "Commando." The corpses found at the place where the clash took place had Honduran-made military boots on them.

The bloodstains and the screaming of the wounded during the action indicate that most of the counterrevolutionaries were wounded. They were pursued to a point near the boundary line while troop movements could be observed on the other side.

The recent storm damaged a good portion of the basic cereal harvest in Jalapa. The evangelical sects, who can be found in large numbers in this area, exploited this event and explained it in terms of "God's punishment" for the country's government which these sects call "communists."

Most of the clergymen of the evangelical groups were the unconditional collaborators of the Somoza followers in the area. Some of them are former members of the National Guard who, even before the victory of the revolution, covered up their crimes against the people by posing as "shepherds of the flock."

The CTN [Federation of Nicaraguan Workers] and the CUS [Committee for Labor Unity] have been trying to cause a division among the working class, primarily among the workers in the tobacco processing plants, using economic and individualistic arguments totally alien to the economic situation we are experiencing now.

The peasants in that part of the country feel worried by the threats from these bands. In spite of everything, most of them are members of the UNAG and the ATC [Agricultural Workers Association]. They sell their surplus harvest to ENABAS [National Staple Foods Enterprise] and all have bank loans to develop their production.

The leader of the counterrevolutionary band wiped out in Tatasli wanted to cause confusion among the people living in that region of Las Segovias, telling them that everything they had would be taken away from them by the state. There was a bottle of liquor in the knapsack he carried when he died.

"Those poor bastards are certainly wrong if they think that we are simply going to fold up; they thought they could come here in darkness and take us by surprise," said one of the fightingmen with a smile while he prepared to go back up into the mountains. In the background, in the highest part of the mountains, the tall pine trees stood silhouetted against the dense mist.

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## PUBLIC ORDER, SECURITY LAW REFORMS APPROVED

Managua EL NUEVO DIARIO in Spanish 17 Jun 82 pp 1, 15

[Text] The members of parliament who belong to the mass organizations and the delegation of FSLN [Sandinist National Liberation Front] yesterday resoundingly approved a bill aimed at reforming and rearranging the Law on the Maintenance of Order and Public Security, raising jail sentences for persons who violate the law from 5 to 30 years in three specific cases and from 3 to 15 years in other cases.

Specifically, representatives of the Council of State who supported the reform and reorganization law noted that, through this law, the People's Sandinist Revolution was only safeguarding the political power which the Nicaraguan people exercises now and, besides, it was issuing the provisions necessary to guarantee the very survival of the revolutionary process.

Comrade Marta Cranshaw, of the FSLN delegation, in taking issue with a remark by Jose Davila--who, during yesterday's session was the only one who questioned the bill--stated that the law would not in any way prohibit criticism and interfere with freedom of expression, both of which were guaranteed in the Fundamental Charter of Rights and Guarantees of the Nicaraguans.

Jose Luis Villavicencio of ANDEN [National Association of Nicaraguan Teachers], in turn argued that this actually involved an effort to restore public order in the country and to block the way of those who, through manipulations and by exploiting the people's backwardness, deny science and knowledge and malevolently maintain that the storm, which brought so much misfortune to the country, is punishment meted out by God.

Federico Lopez in turn said that the revolution would have to investigate anybody who associates with a counterrevolutionary because otherwise it would be renouncing its power and its own survival.

He furthermore pointed out that Davila was trying to hide behind strictly juridical arguments in an effort to conceal his political motives against the bill.

Revolution Generous So Far

Alfonso Lacayo, of CST [Sandinist Workers Federation], indicated that the revolution has been excessively generous so far in dealing with those who conspire

against the people and its revolutionary process and that, consequently, that situation had to be terminated because this is where the people exercises political power for the first time in its history and it is necessary to punish all those who want to return to the past of exploitation and shame, in other words, to the Somoza past.

After these debates and those that took place during the meeting last week, the new law on the maintenance of order and public security was passed yesterday with some changes.

#### New Penalties

As we recall, this law originally was promulgated by the Government Junta on 20 July 1979; it was then however amended in several ways so that the bill passed yesterday rearranges and reforms the law in some of its parts.

For example, the bill passed yesterday again provides that, instead of getting between 3 and 10 years, persons who commit the following crimes against public safety will hereafter be punished with 5-13 years:

Persons who perpetrate acts aimed at completely or partly subjugating the nation to foreign rule or undermining its independence and integrity; persons who disclose political secrets or security matters concerning the defense establishment or the foreign relations of the nation and persons who damage installations, highways, bridges, structures, and objects necessary for defense for the purpose of harming the nation's effort.

On the other hand, the new bill increases prison sentences from 3 to 15 years for persons who commit crimes against public safety:

Individuals who take up arms in order to attack the National Government or any of its agencies as well as persons who carry out actions or moves to take up arms for the same purpose; individuals who intend to depose any local authority or to prevent the legally appointed or elected representatives from taking office.

This further includes persons who prevent or seek to prevent the authorities from freely performing their functions in compliance with administrative or legal provisions.

Also included are the persons who instigate conspiracy, who propose or accept conspiracy, in order to commit any of the crimes mentioned in this provision, along with their accomplices and accessories.

Articles 2 and 3 of the law remain in the new bill passed yesterday the way they were in the original law and in its subsequent reforms, with the exception of the elimination of the provision calling for 1-4 years of imprisonment for persons who incite to, aid, or participate in the initiation or continuation of a strike or unlawful work stoppage for purposes alien to the true demands of the workers.



## On Confiscations

Apart from the above, the new bill reforms the provisions on confiscations of the property of persons who have been implicated, ordering the following:

In cases covered by articles 1 and 2 of this law, a sentence of 5 years or more shall also lead to the confiscation of the criminal's property and it is likewise presumed here that the acts and contracts entered into by the criminal or his agent or attorney after 19 July 1979 are simulated acts or contracts.

Evidence to the contrary shall be admitted against the assumption made in the preceding paragraph regarding third persons who possess transferred property which shall be estimated in accordance with the rules of reasonable evaluation by the Ministry of Justice.

The Ministry of Justice may agree to leave ownership of the assets with the wife or children of persons who have been tried if the assets are used efficiently. The implementation of this measure shall be governed, regarding the points not covered by this law, by the procedure included in Decree No 760, dated 19 July 1981, furthermore authorizing the Ministry of Justice to issue the precautionary measures necessary for the securing of the property of persons who have been tried, said property remaining under the control of competent authorities.

A new point included in the new bill which has just been passed indicates that, in cases of crimes against public safety listed at the beginning of this report, the criminal district judges of Managua shall be competent, with the exception of judges in places where crimes are committed.

The judge whose authority is established in accordance with the preceding paragraph, may order investigations of any kind in any place throughout the republic, and he shall also be able to make use of the power of delegation in accordance with general rules.

The new law finally established that regarding everything not covered in the law, the provisions of the Criminal Code and the other laws in force shall apply.

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END